

DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
WHITEHALL TOWNHOUSES

THIS DECLARATION, made on the 25th day of March, 1976,  
by DSN ASSOCIATES, INC., a North Carolina Corporation (herein-  
after referred to as "Declarant");

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain land in or near  
the City of Raleigh, County of Wake, State of North Carolina,  
which is more particularly described as follows:

BEGINNING at a concrete monument located in the southwestern edge  
of the right of way of Spring Forest Road at the northeast corner  
of the N. H. Norwood property; thence with said right of way of  
Spring Forest Road South 48 degrees 59 minutes 00 seconds East  
400.33 feet to another concrete monument, the northwest corner of  
the O. L. Long property; thence with the western property line of  
the O. L. Long property South 06 degrees 37 minutes 05 seconds  
West 340.09 feet to a point; thence North 88 degrees 55 minutes  
16 seconds West 69.80 feet to a point; thence South 10 degrees  
09 minutes 45 seconds West 259.63 feet to a point; thence South  
84 degrees 50 minutes 54 seconds West 246.94 feet to a point in  
the eastern property line of the Norwood property; thence with the  
eastern property line of the Norwood property North 06 degrees  
25 minutes 17 seconds East 894.17 feet to the point of BEGINNING,  
and being the land shown on a map of Whitehall, Section One, dated  
March 15, 1976, prepared by Triangle Engineering-Architecture-Plan  
Inc. recorded in Book of Maps 1976, Volume XX, Page 132 of the Wake  
County Registry.

WHEREAS, Declarant proposes to develop said land into a Townhouse project consisting of lots for sale and appurtenant common areas and therefore desires to subject said land to this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the land described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

#### ARTICLE I

##### DEFINITIONS

Section 1. "Association" shall mean and refer to Whitehall Community Services, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be subjected to this Declaration and brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot consists of all land shown on the

recorded map referred to above except the areas designated as residential lots (by number) and garage lots (by the letter "G" and a number) thereon.

Section 5. "Residential Lot" shall mean and refer to any lot designated solely by number on the recorded subdivision map of the Properties referred to above or any subsequently recorded subdivision map of the Properties referring to this Declaration as the same may be amended from time to time.

Section 6. "Garage Lot" shall mean and refer to any lot designated by the letter "G" and a number (for example, G-1, G-2, G-3) on the recorded subdivision map of the Properties referred to above or any subsequently recorded subdivision map of the Properties referring to this Declaration as the same may be amended from time to time.

Section 7. "Lot" shall mean and refer to a residential lot as defined above. Such term does not include a garage lot.

Section 8. "Declarant" shall mean and refer to DSN ASSOCIATES, INC., its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 9. "Member" shall mean and refer to every person or entity who holds membership in the Association.

## ARTICLE II

### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded; provided, however, that no membership vote shall be required with respect to easements granted by the Association pursuant to Article X hereof.

(d) the right of the Association to limit the number of guests of members;

(e) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to

mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder;

(f) the right of the individual members to the exclusive use of parking spaces as provided in this Article.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors or assigns, that prior to the conveyance of the first Lot, it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens except utility easements and the easements, restrictions, covenants and conditions set forth herein. Further, if ad valorem taxes for the current year have been separately assessed against the Common Area, the same shall be prorated between Declarant and the Association as of the transfer date; otherwise such taxes shall be paid by Declarant.

Section 4. Parking Rights. Ownership of each Lot shall entitle the owner or owners thereof to the use of automobile parking spaces, which shall be as near and convenient to said Lot as is reasonably possible, together with the right of ingress and egress to and from said parking areas, as provided herein.

The Association shall permanently assign parking spaces to provide two parking spaces for each dwelling; provided, however, that ownership of a Garage Lot shall be treated as an assignment of one parking space for purposes of this provision. The assigned parking space or spaces shall be as near the dwelling to which it is assigned as is reasonably possible. The remaining parking spaces

shall be unassigned, but the Association may adopt reasonable rules and regulations regarding use of the same.

The Association may regulate the parking of boats, trailers and other such items on the Common Area. No boats or trailers shall be parked within the right of way of any street or driveway serving more than one Lot.

Section 5. TV Antennas and Piped-In Music. The Association may provide one or more central television antennas for the convenience of the members and may supply piped-in music and the cost of these may be included in annual or special assessments. The Association may regulate or prohibit the erection of television antennas on individual lots.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS -

Section 1. Every owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter, and before the time stated in Subparagraph (b) below, additional lands are annexed to the Properties pursuant to Article VII, Section 2, below, and as the result of such annexation, the Declarant, and its successors and assigns, own more than one-fourth (1/4) of the total Lots subject to this Declaration.

(b) on December 31, 1982.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be

established and collected as hereinafter provided, and (3) to the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Area and a pro rata share of assessments for public improvements to the Common Area if the Association shall default in the payment thereof for a period of six (6) months, all as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be charged and continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, to maintain, improve and operate the Common Area, to maintain and improve the Lots (including Garage Lots) and improvements thereon as herein provided, and to administer the Association's affairs, such uses to include (but not be limited to) the cost of repairs, replacements and additions to the Common Area, Lots (including Garage Lots) and improvements situated thereon, the cost of labor, equipment and materials related to operation of the Common Area, the cost of management and supervision of the Association's affairs, the payment of taxes assessed against the Common Area, the procurement and



maintenance of insurance in accordance with the By-Laws, the employment of agents, attorneys, accountants, consultants and others to represent, advise or assist the Association when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment shall be four hundred twenty dollars (\$420.00) per Lot. Thereafter, such assessment shall be established (and increased or decreased from time to time) by the Board of Directors of the Association in accordance with the following provisions:

(a) Until Declarant's Class B membership in the Association ceases and is converted to Class A membership pursuant to Article III hereof, the annual assessment may be increased each year by not more than sixty dollars (\$60.00) per Lot above the assessment for the previous year without a vote of the membership, but the annual assessment may not be increased during any such year by more than sixty dollars (\$60.00) per Lot unless such increase has been approved by a vote of a majority of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(b) After Declarant's Class B membership in the Association ceases and is converted to Class A membership pursuant to Article III hereof, the annual assessment shall be established (and increased or decreased from time to time) by the Board of Directors of the Association without a vote of the membership.

(c) If Declarant's Class B membership terminates, but is thereafter reinstated as provided in Article III hereof, then the limitation upon annual increases in such assessments without a vote of the membership shall likewise be reinstated.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto. If any such assessment exceeds one hundred fifty dollars (\$150.00) per Lot, then such assessment shall have the assent of a majority of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose; otherwise, such assessment shall be approved by the Board of Directors of the Association without a vote of the membership.

Section 5. Notice and Quorum for Any Action Authorized

Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 of this Article shall be sent to all Members not less than 10 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the

required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 50 days following the preceding meeting.

Section 6. Assessment Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots (except as provided in the last paragraph of Article VIII); provided, however, that so long as any Lot owned by Declarant is unoccupied as a residence, the amount of the assessment for each such Lot shall be ten percent (10%) of the regular assessment for other Lots. Assessments may be collected on a monthly basis.

Garage Lots shall not be separately assessed; rather the uniform assessment rate against residential lots as provided above shall be deemed to include assessments attributable to Garage Lots. The lien of any assessment against a Lot shall extend to the Garage Lot, if any, owned by the Owner of such Lot and used in conjunction with the use of such Lot.

Section 7. Loans From Declarant. If the funds available to the Association from annual assessments are not sufficient to defray reasonable expenses incurred by the Association pursuant to Section 2, Article IV hereof, then subject to the terms, conditions and limitations hereinafter set forth, Declarant shall lend sufficient additional funds to the Association to enable it to defray such expenses. Such obligation of Declarant, shall, however, be subject to the following terms, conditions and limitations:

(a) Maximum Loan. Declarant's obligation hereunder shall be limited to loans which do not exceed amounts which Declarant would pay if the assessments against its unoccupied Lots were 100% of the regular assessments for other Lots and such obligation shall be further reduced to the extent Declarant has paid assessments against its unoccupied Lots in an amount equal to ten percent

(10%) of the regular assessment for other Lots.

(b) Existence of Obligation. Declarant's obligation to make such loans shall exist only while its Class B membership in the Association exists. Specifically, such obligation shall terminate when its Class B membership terminates and shall be reinstated thereafter only for periods during which Declarant's Class B membership is reinstated.

(c) Type Loan. Such loans shall be unsecured, shall not bear interest, and shall not be repaid except as provided herein.

(d) Repayment. Such loans may be partially or completely repaid from time to time when the Association possesses funds in excess of its reasonable needs.

(e) Maturity Date. Such loans shall in any event become due and payable one year after Declarant's Class B membership in the Association terminates; provided, however, that if Declarant's Class B membership is reinstated within such one year period, then such maturity date shall be extended (one or more times) until one full year has passed during which Declarant has not been a Class B Member. On or before the due date, the Association shall use all funds available to it, after payment of reasonable expenses incurred during such year to repay any then outstanding loans made to the Association by Declarant. If the funds available to the Association at that

time are not sufficient to repay such loans in full, the balance of such loans, after making payment of all sums available to the Association, shall be contributed to the Association's capital by Declarant, and the Association shall not have any further obligation to repay such loans.

Section 8. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid, and if not, the amount due.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (the term "mortgage" shall include a deed of trust) and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or foreclosure of a tax lien or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

#### ARTICLE V

#### PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes and garages upon the Properties and placed on the dividing line between the Lots (or Garage Lots) and all reconstruction or extensions of such walls shall constitute party walls, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared

by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. The owner of any Lot may construct, reconstruct or extend a party wall in any direction (subject to and within the limitations of architectural control and other limitations of these Covenants) with the right to go upon the adjoining Lot to the extent reasonably necessary to perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner That No Contribution is Due. If any Owner desires to sell his property, he may, in order to assure a prospective purchaser that no adjoining property owner has a right of contribution as provided in this Article V, request of the adjoining property owner or property owners a certificate that no right of contribution exists, whereupon shall be the duty of each adjoining property owner to make such certification immediately upon request and without charge; provided, however, that where the adjoining property owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

#### ARTICLE VI

##### ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, color, height, materials, and location of the same shall have been submitted and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee



fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

#### ARTICLE VII

##### ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Except as provided in Section 2 of this Article, annexation of additional property shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

Section 2. Declarant plans to develop additional land within the boundaries of the 42.863 acre tract more particularly described on Exhibit A attached hereto. Declarant, therefore, reserves the right at any time prior to December 31, 1982, that Declarant determines to take the action so contemplated, to submit portions of such additional land, all easements, rights and appurtenances belonging thereto, and all articles of personal property existing for the common use of the Lot owners to the provisions of this Declaration from time to time. In such event, Declarant hereby covenants for itself, its successors or assigns, that it will convey fee simple title to the Common Area constituting a portion

of the additional land submitted to this Declaration to the Association, free and clear of all encumbrances and liens except utility easements and ad valorem taxes for the year of transfer which shall be prorated to the transfer date if separately assessed (otherwise such taxes shall be paid by Declarant), prior to the conveyance of the first Lot located in such additional land and that such additional land will be contiguous to land already subjected to this Declaration. Further, Declarant expressly agrees that there will not be constructed on the entire property (including the additional land) more than 200 homes or dwelling units and that the homes and dwelling units constructed in subsequent phases shall be architecturally compatible with any homes or dwelling units previously constructed on the Property. The submission of such additional land to the provisions of this Declaration may be accomplished by an amendment to this Declaration executed by Declarant with the same formalities as this instrument. Such amendment must refer to the volume and page in which this instrument is recorded and must describe the additional land being submitted to this Declaration and the portions thereof being designated as Common Area. Such amendment shall become effective upon the recordation of same. Thereafter, upon conveyance of the Common Area located in such additional land to the Association, the owners of the Lots situated therein shall become members of the Association in accordance with the provisions of this Declaration.

The Declarant reserves the right to submit such additional land to this Declaration in accordance with the foregoing provisions without the consent of the Association, its members or Lot owners.

## ARTICLE VIII

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, and subject to the provisions of Article XII hereof, the Association shall provide exterior maintenance upon each Lot and Garage Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces (including exterior storage sheds), trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance ~~shall not include glass surfaces or utility systems~~ serving a particular Lot. Further, the owner of any Lot may elect to maintain the area within any private patio wall (such walls have two sides) at the rear of his Lot provided such area is maintained in a neat and orderly manner compatible with general maintenance of the Common Area. Further, the owner of any Lot may at his election plant trees, shrubs, flowers and grass in his rear yard and may also maintain portions or all of his rear yard provided that such maintenance by the owner does not hinder the Association in performing its maintenance of the exterior of the house and the remaining yard spaces. No such maintenance by a Lot owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association any such owner fails to maintain his rear yard or patio area in a neat and orderly manner, the Association may revoke the owner's maintenance rights for a period not to exceed one year. ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~

(As a matter of information to future members of this Association, the developers wish to make it known that it is a part of the original plan of development to construct a variety of dwellings, some of which will be served by garages. Some dwellings may require more maintenance than others and owners of lots not served by a garage will not benefit directly from the exterior maintenance of garages. Nevertheless, it is believed

that all members of the Association will be benefited by providing exterior maintenance and that a uniform rate of charge therefor should be made without regard to the actual cost of maintenance of each dwelling or garage.)

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

#### ARTICLE IX

##### USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Areas.

Section 2. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model townhouse used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that the Association may make reasonable rules and regulations regarding such household pets

Section 5. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any Lot having an area of the main structure, exclusive of open porches and decks, of less than 1,200 square feet for a one-story dwelling nor less than 1,350 square feet for a dwelling of more than one-story.

Section 6. Declarant has constructed, or may construct, dwellings on the Lots which, in many instances, have, or may have, patios, decks or similar areas designed to serve a particular dwelling or Lot, and in some instances, such areas are or may be enclosed on two sides by privacy walls or fences which extend beyond the boundaries of the particular Lot being served thereby and are located on portions of the Common Area adjacent or convenient to the owner's Lot. In such instances, the Lot owner shall be entitled to the exclusive use of such area (subject to the Association's right to enter upon the same to provide maintenance services), whether or not included within his Lot. In addition, the Lot owner shall have the right to repair or reconstruct any such privacy walls or fences at their original locations. If a Lot owner desires to construct additional such fences or to relocate such fences, the written consent of the Association shall be required.

Section 7. Declarant has constructed or may construct storage sheds to serve particular Lots which, in some instances, are located on Common Area adjacent or convenient to such Lots. The owners of such Lots are hereby granted the right to use such storage sheds as located by Declarant, subject, however, to the right of the Association to require that the same be relocated on the owners' Lots if such use interferes with the use of the Common Area by other Lot owners.

#### ARTICLE X

#### EASEMENTS

All of the Properties, including Lots, Garage Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines.

and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association (upon the authority of its Board of Directors) shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

All Lots and Garage Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots (and Garage Lots) by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls. Further, in some instances, exterior storage sheds have been constructed on and across the property line separating adjacent Lots with a view to having one storage shed (with separate compartments) serve the two adjacent Lots on which the same is situated, and the Owners of such Lots shall have easements to use such storage sheds (subject to reasonable rules and regulations of the Association) in the intended manner for as long as such sheds remain usable.

#### ARTICLE XI

##### GARAGE LOTS

Garage Lots are included within the Properties for the purpose of allowing the common owner of a Lot and a Garage Lot to store his motor vehicles and other items in the garage constructed on such Garage Lot, and ownership of a Garage Lot shall be deemed incidental or accessory to ownership of a Residential Lot: (No Garage Lot shall be used as a dwelling or for any other purpose contrary to the intended use of same.

No Owner shall have the right to sell, encumber or otherwise transfer his Garage Lot separately from his Residential Lot unless such sale, encumbrance or other transfer is made to another Lot Owner.

RESTORATION OF BUILDINGS

If any dwelling situated on a Lot or any garage situated on a Garage Lot is partially or completely destroyed, the Owner shall at his expense, restore, repair or rebuild the same in a manner substantially similar to the original construction thereon (or subject to the Association's architectural control, rebuild a different structure thereon) or such Owner shall, at his expense, demolish the same and clean the Lot of debris and trash, leaving the same in a neat and orderly manner. If any Owner fails to clear his Lot as aforesaid with 30 days after notice from the Association, then the Association may clear such Lot and assess the cost thereof to the Owner, which assessment shall be collectible from the Owner or through foreclosure of the lien on his Lot.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

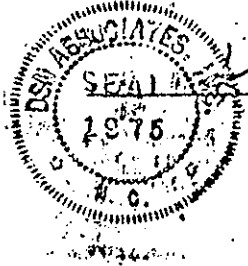
Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended with the affirmative written consent of two-thirds (2/3) of the votes of each Class of members. Such amendment shall be

executed by the Association, shall contain a certification by an officer of the Association that two-thirds (2/3) of each class of members have consented to such amendment in writing, shall refer to the volume and page in which this instrument (and any Supplemental Declaration) is recorded and ~~\_\_\_\_\_~~ ~~\_\_\_\_\_~~. Provided, however, the foregoing provisions shall not apply to amendments hereto executed by Declarant to annex additional land pursuant to Section 2 of Article VII hereof.

IN WITNESS WHEREOF, the undersigned, being the Declarant Corporation has caused this Declaration to be executed by its duly authorized officers with corporate seal affixed hereunto, all as of the day and year first above written.

ATTEST:

DSN ASSOCIATES, INC.



R. Neal Hunt  
Secretary

By: Don C. Austin  
President

STATE OF NORTH CAROLINA

COUNTY OF Wake

This 25th day of March, 1976, personally appeared before me, the undersigned, a Notary Public in and for the County and State aforesaid, Don C. Austin and R. Neal Hunt, who, being by me first duly sworn, say that they are the President and Secretary, respectively, of DSN ASSOCIATES, INC., that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation, and that said writing was signed and sealed by them in behalf of said corporation by its authority duly given. And the said President and Secretary acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal this 25th day of March, 1976.



Judith B. Hendricks  
Notary Public

My Commission Expires: 2-9-80



BY-LAWS  
OF  
WHITEHALL COMMUNITY SERVICES, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is WHITEHALL COMMUNITY SERVICES, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Post Office Box 58363, Raleigh, North Carolina 27658, but meetings of members and directors may be held at such places within the state of North Carolina, County of Wake, as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" shall mean and refer to Whitehall Community Services, Inc., it's successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to DSN ASSOCIATES, INC., it's successors and assigns, if such successor or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Wake County Register of Deeds.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

Section 1. Annual Meetings. The annual meeting of the members shall be held annually on the 3rd Monday in September every year.

2.

following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote thereat, addressed to the members address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. Only five votes per member may be voted by proxy, and only one proxy can be assigned to an Owner. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of the member of his Lot.

#### ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE:

Section 1. Number.

The Board of Directors shall consist of up to nine(9) directors who must be members.

Section 2. Term of Office.

Each director will serve a term of three (3) years on the Board of Directors.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held as the Board shall determine to be necessary. Such meetings may be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the president of the Association, or by any two

4.  
directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which quorum is present shall be regarded as the act of the Board.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(f) provide one or more central television antennas and supply piped-in music for the convenience of the members, the cost of which may be included in annual or special assessments, and regulate or prohibit the erection of television antennas on individual lots;

(g) fix the amount of special assessments for capital improvement from time to time as deemed necessary, submit the same to members for their approval where required by Declaration, and if approved, to send thirty (30) days prior notice thereof to all owners, to collect and disburse such assessment and to foreclose the lien against any Lot for which the assessment is not paid within thirty (30) days after the due date or bring an action at law against the owners;

(h) where not inconsistent with the provisions of the Declaration or Articles of Incorporation of the Association, undertake such other action as may be necessary or appropriate to fulfillment of the

Association's purposes.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by a one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) pay all ad valorem taxes and public assessments relating to the Common Area;

(i) plan and operate the affairs of the community with a balanced annual budget wherein planned expenses do not exceed projected income.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers

as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) the president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) the vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) the secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members;

keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

#### Treasurer

(d) the treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at regular annual meeting, and deliver a copy of each to the members.

### ARTICLE IX

#### COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in the By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

### ARTICLE X

#### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

### ARTICLE XI

#### ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII  
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Whitehall Community Services, Inc.--1975.

ARTICLE XIII  
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of majority vote of each class of members present in person or by proxy at such meeting, provided a quorum is present.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV  
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.



Roger Edwards  
P.O. Box 10096  
Raleigh, N.C. 27605

Mr

10,000

2/28



# State of North Carolina

### NOTICE

The issuance of a corporate charter to any domestic corporation or a certificate of authority to any foreign corporation does not authorize the use in this State of the corporate name in violation of the rights of any third party under the Federal Trademark Act, the Trademark Act of this State, a trade name or the common-law and statutory rights of such charter or certificate and will be a defense to an action for violation of any such rights.

Certified Copy  
from  
The Department of The  
Secretary of State  
to be Recorded  
with the  
Register of Deeds  
of County of  
Registered Office

# State of North Carolina



Department of the Secretary of State

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PAGE  
APR 28 11 00 AM '76  
R. B. HICKENZIE, JR.  
REGISTER OF DEEDS  
WAKE COUNTY, N.C.

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached ( 8 sheets) to be a true copy of

ARTICLES OF INCORPORATION

OF

WHITEHALL COMMUNITY SERVICES, INC.

and the probates thereon, the original of which was filed in this office on the 28th day of April 1976, after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 28th day of April in the year of our Lord 1976.



Secretary of State

By

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ARTICLES OF INCORPORATION

OF

212004

THAD EURE  
SECRETARY OF STATE  
NORTH CAROLINA

WHITEHALL COMMUNITY SERVICES, INC.

We, the undersigned natural persons of the age of twenty-one (21) years or more, do hereby associate ourselves into a non-profit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act", and the several amendments thereto, do hereby make, sign, and acknowledge these Articles of Incorporation, and to that end do hereby set forth:

ARTICLE I

The name of the corporation is Whitehall Community Services, Inc., hereafter called the "Association."

ARTICLE II

The principal and registered office of the Association is located at Post Office Box 17601, 5029 Falls of Neuse Road, Suite 212, Raleigh, North Carolina 27609, Wake County.

ARTICLE III

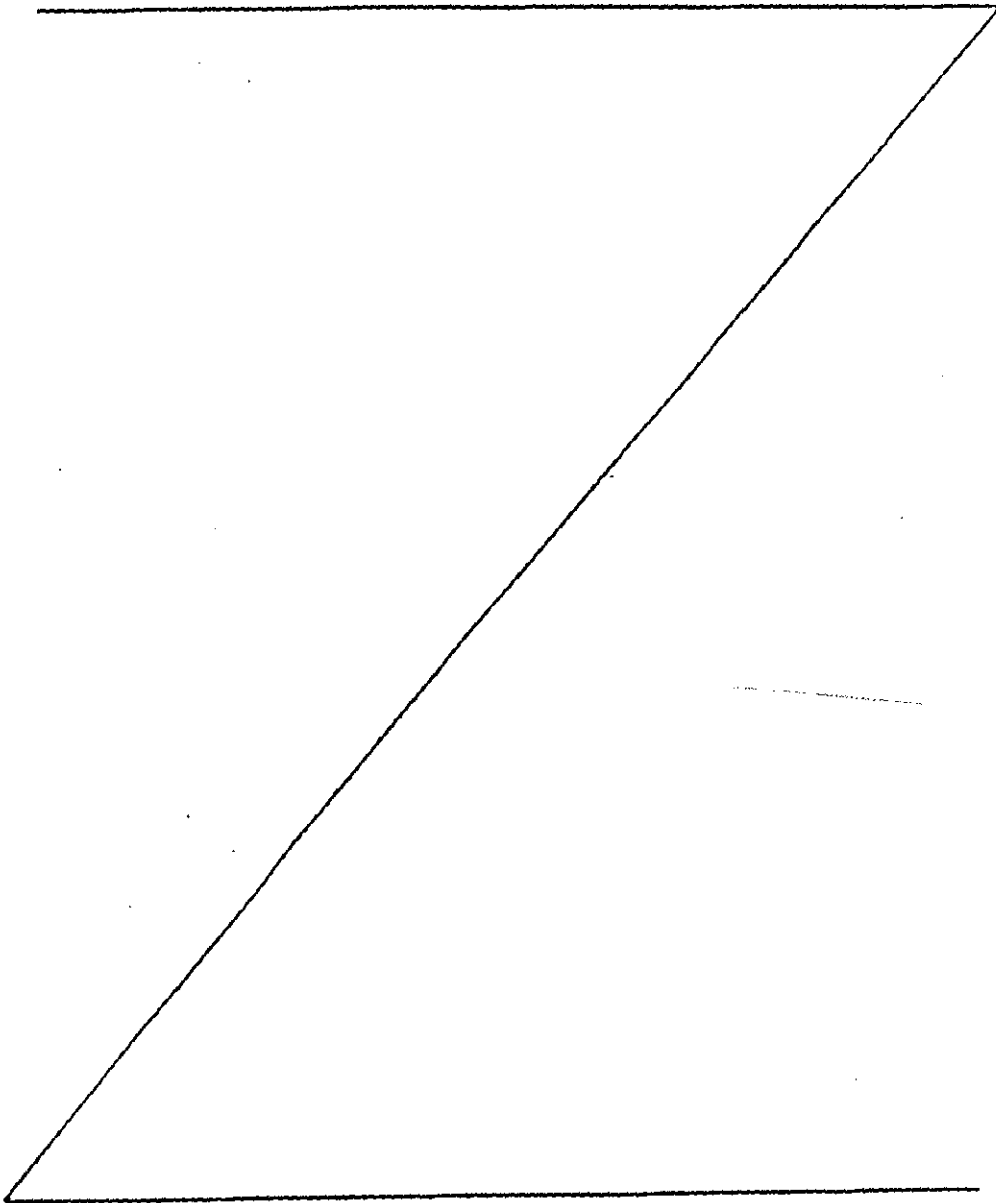
K. Neal Hunt, whose address is 5029 Falls of Neuse Road, Wake County, Raleigh, North Carolina, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots, garage lots and Common Area within that certain tract or property described as follows:

BEGINNING at a concrete monument located in the southwestern edge of the right of way of Spring Forest Road at the northeast corner of the N. H. Norwood property; thence with said right of way of Spring Forest Road South 48 degrees 59 minutes 00 seconds East 100.13 feet to another concrete monument, the northwest corner of the O. L. Long property; thence with the western property line of the O. L. Long property South 06 degrees 37 minutes 05 seconds West 340.09 feet to a point; thence North 88 degrees 55 minutes 16 seconds West 69.80 feet to a point; thence South 10 degrees 09 minutes 45 seconds West 259.63 feet to a point; thence South 84 degrees 50 minutes 54 seconds West 246.94 feet to a point in the eastern property line of the Norwood property; thence with the eastern property line of the Norwood property North 06 degrees 25 minutes 17 seconds East 894.17 feet to the point of BEGINNING, and being the land shown on a map of Whitehall, Section One, dated March 15, 1976, prepared by Triangle Engineering-Architecture-Planning, Inc. recorded in Book of Maps 1976, Volume II, Page 1/2 of the Wake County Registry.



and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Wake County Register of Deeds and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage,

pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members, provided, that any such dedication or transfer shall have the assent of two-thirds (2/3) of each class of members;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

(h) borrow money from DSN Associates, Inc. as provided in the Declaration.

#### ARTICLE V

#### MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Residential Lot which is subject by covenants of record to assessment by the Association, including contract

sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in

Sub-paragraph (b) below, such additional lands are annexed to the Properties without the assent of Class A members on account of the development of such additional lands by the Declarant, all as provided for in Article VII, Section 2 of the Declaration, or

(b) on December 31, 1982.

#### ARTICLE VII

##### BOARD OF DIRECTORS

Until the first annual meeting of the members, the affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. At the first annual meeting of the members, the Board of Directors shall be increased to five (5) Directors who need not be members of the Association. The number of directors may thereafter be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the first annual meeting of the members (or until the selection of their successors) are:

<u>NAME</u>	<u>ADDRESS</u>
<u>Dan C. Austin</u>	<u>5029 Falls of Neuse Road, Raleigh, N.C.</u>
<u>K. Neal Hunt</u>	<u>7508 Grist Mill Road, Raleigh, N.C.</u>
<u>Walter Skellie Hunt, III</u>	<u>28401 Skystasail Dr., Wilmington, N.C.</u>

At the first annual meeting the members shall elect two directors for a term of one year, two directors for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one or two directors (depending upon the number of director positions then open) for a term of three years.

#### ARTICLE VIII

##### DISSOLUTION

The Association may be dissolved with the assent of two-thirds (2/3) of each class of members. Upon dissolution of the Association,



other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

## ARTICLE IX

## DURATION

The corporation shall exist perpetually.

## ARTICLE X

## AMENDMENTS

Amendment of these Articles shall require the assent of two-thirds (2/3) of each class of members.

## ARTICLE XI

## INCORPORATORS

<u>Name</u>	<u>Address</u>
J. Roger Edwards, Jr.	615 Oberlin Road Raleigh, North Carolina
John M. Geil	615 Oberlin Road Raleigh, North Carolina
Judy B. Hendricks	615 Oberlin Road Raleigh, North Carolina

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, we the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 26<sup>th</sup> day of

April, 1976.

J. Roger Edwards, Jr.  
J. Roger Edwards, Jr.

John M. Geil  
John M. Geil

Judy B. Hendricks  
Judy B. Hendricks

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

THIS IS TO CERTIFY, that on the 2<sup>nd</sup> day of April, 1976, before me, a Notary Public, personally appeared J. Roger Edwards, Jr., John M. Geil and Judy B. Hendricks, who I am satisfied are the persons named in and who executed the foregoing Articles of Incorporation, and I having first made known to them the contents thereof, they did acknowledge that they signed and delivered the same as their voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, this the 2<sup>nd</sup> day of April, 1976.

Brenda J. Taylor  
Notary Public

